

To: Members of the County Council

Date: 20 January 2021

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Dear Councillor

You are invited to attend a meeting of the **COUNTY COUNCIL** to be held at **10.00 am** on **TUESDAY, 26 JANUARY 2021** in **VIA ZOOM**.

Yours sincerely

G Williams
Head of Legal, HR and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATIONS OF INTEREST (Pages 5 - 6)

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 URGENT MATTERS AS AGREED BY THE CHAIR

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

4 MINUTES (Pages 7 - 14)

To receive the minutes of the meeting of County Council held 8 December 2020 (copy attached).

5 BUDGET 2021/2022 - FINAL PROPOSALS (Pages 15 - 34)

To consider a report by the Head of Finance and Property (copy attached).

- 6 COUNCIL TAX REDUCTION SCHEME 2021/2022** (Pages 35 - 60)
To consider a report by the Head of Finance and Property (copy attached).
- 7 REAL LIVING WAGE** (Pages 61 - 66)
To consider a report by the Head of Finance and Property and the Pay and Rewards Specialist (copy attached).
- 8 NOTICE OF MOTION** (Pages 67 - 68)
Notice of Motion put forward by Councillor Glenn Swingler for consideration by Full Council (copy attached).
- 9 COUNTY COUNCIL FORWARD WORK PROGRAMME** (Pages 69 - 74)
To consider the Council's forward work programme (copy attached).

MEMBERSHIP

Councillors

Councillor Meirick Lloyd Davies (Chair) Councillor Alan James (Vice-Chair)

Mabon ap Gwynfor	Barry Mellor
Brian Blakeley	Melvyn Mile
Joan Butterfield	Bob Murray
Jeanette Chamberlain-Jones	Merfyn Parry
Ellie Chard	Paul Penlington
Ann Davies	Pete Prendergast
Gareth Davies	Arwel Roberts
Hugh Evans	Anton Sampson
Peter Evans	Peter Scott
Bobby Feeley	Glenn Swingler
Rachel Flynn	Andrew Thomas
Tony Flynn	Rhys Thomas
Huw Hilditch-Roberts	Tony Thomas
Martyn Holland	Julian Thompson-Hill
Hugh Irving	Graham Timms
Brian Jones	Joe Welch
Pat Jones	Cheryl Williams
Tina Jones	David Williams
Gwyneth Kensler	Eryl Williams
Geraint Lloyd-Williams	Huw Williams
Richard Mainon	Emrys Wynne
Christine Marston	Mark Young

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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

a *member/co-opted member of

*(*please delete as appropriate)*

Denbighshire County Council

CONFIRM that I have declared a ***personal / personal and prejudicial** interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

*Note: Please provide sufficient detail e.g. 'I am the owner of land adjacent to the application for planning permission made by Mr Jones', or 'My husband / wife is an employee of the company which has made an application for financial assistance'.

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COUNTY COUNCIL

Minutes of a meeting of the County Council held in via Video Conferencing on Tuesday, 8 December 2020 at 10.00 am.

PRESENT

Councillors Mabon ap Gwynfor, Brian Blakeley, Joan Butterfield, Jeanette Chamberlain-Jones, Ellie Chard, Ann Davies, Gareth Davies, Meirick Davies (Chair), Hugh Evans, Peter Evans, Bobby Feeley, Rachel Flynn, Huw Hilditch-Roberts, Martyn Holland, Hugh Irving, Alan James (Vice-Chair), Brian Jones, Tina Jones, Gwyneth Kensler, Geraint Lloyd-Williams, Richard Mainon, Christine Marston, Barry Mellor, Melvyn Mile, Bob Murray, Merfyn Parry, Paul Penlington, Pete Prendergast, Arwel Roberts, Anton Sampson, Peter Scott, Glenn Swingler, Andrew Thomas, Rhys Thomas, Tony Thomas, Julian Thompson-Hill, Graham Timms, Joe Welch, Cheryl Williams, Eryl Williams, Huw Williams, Emrys Wynne and Mark Young

ALSO PRESENT

Chief Executive (JG), Corporate Director: Economy and Public Realm (GB), Corporate Director: Communities (NS), Head of Legal, HR and Democratic Services (GW), Head of Planning and Public Protection (EJ), Head of Finance and Property (SG), Planning and Public Protection Manager (AL), Chief Internal Auditor (LL), HR Specialist – Pay and Rewards (SV), Lead Officer – Community Housing (GD), Service Manager – Community and Business Services (AH), Democratic Services Manager (SP), Zoom Host (RT-J) and Committee Administrator (SLW)

1 APOLOGIES

Apologies for absence were received from Councillor Pat Jones

2 DECLARATIONS OF INTEREST

Councillor Graham Timms declared a prejudicial interest in item 10, Notice of Motion, as he owns a holiday home.

3 URGENT MATTERS AS AGREED BY THE CHAIR

Full Council offered condolences to Councillor Barry Mellor whose wife Antoinette had recently passed away

Condolences were sent to the family of former Councillor Robert Eric Barton who had recently passed away.

Condolences were also sent to the AM, Ann Jones, whose husband had recently passed away.

A one minutes silence was held.

The Leader, Councillor Hugh Evans stated that recording of meetings has been raised and the Monitoring Officer had advised Group Leaders.

Councillor Paul Penlington questioned there had been occasions where one particular Councillor who had recorded and shared screenshots on social media, will it be addressed today?

Councillor Hugh Evans responded it will be addressed through protocol and will be shared but would not refer to any particular Councillor during Full Council.

4 MINUTES

The minutes of Full Council held on 13 October 2020 were submitted.

PROPOSED by Councillor Alan James to accept the minutes, SECONDED by Councillor Bob Murray.

A vote took place and it was unanimously agreed to accept the minutes.

RESOLVED that the minutes of the Council meeting held on 13 October 2020 be confirmed as a correct record.

5 FINAL GROWTH DEAL

The Leader, Councillor Hugh Evans, introduced the Final Growth Deal report (previously circulated), for Council to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government.

In 2016, the North Wales Economic Ambition Board (NWEAB) adopted a Growth Vision for the Economy of North Wales. That vision was subsequently adopted by all 6 North Wales Councils. Based on the Growth Vision Strategy, a Growth Deal bid was prepared and agreed by all the partners, including Denbighshire County Council, working with both the UK and Welsh Government and the private sector in October 2018. In November 2019, the NWEAB and the Welsh and UK Governments agreed the Heads of Terms, for a Final Deal Agreement to be completed towards the end of 2020.

The NWEAB were committed to achieving Final Deal Agreement with both Governments before the end of December 2020.

On 24 November 2020, Cabinet considered the documents, attached to the report, and the recommendation of Partnerships Scrutiny Committee that Cabinet and Council should endorse and approve the documents required to complete the Final Growth Deal. Cabinet resolved to endorse the documents necessary to complete the Final Growth Deal and approved those parts of Governance Agreement 2 that related to executive functions. Cabinet recommended that Council formally approve the documents as set out in the report.

The Leader reiterated the aim of the Growth Deal to build a more sustainable and resilient economy in North Wales in partnership with public and private sectors, supported by £240m funding from the UK and Welsh Governments over the next 15 years. The Growth Deal aimed to deliver investment of up to £1.1bn in the North Wales economy to create 3,400 – 4,200 new jobs and generate £2 – £2.4bn in net additional GVA by 2036. The Leader delivered a joint presentation with the Corporate Director: Economy and Public Realm; Head of Legal HR and Democratic Services and Head of Finance covering areas of the Growth Deal.

It was confirmed that Gwynedd County Council were the host and accountable body.

During discussions, the following points were raised:

- Councillor Paul Penlington expressed concerns regarding the percentage of nuclear power within the documentation. Officers confirmed that nuclear power was not a significant part of the projects. Wind power, hydrogen etc., were also power projects contained within the project. Officers stated they did not have any concerns regarding nuclear energy.
- There had been political commitment to the £240m government funding and discussions with both governments had been ongoing on matters of detail with no indication that the funding commitment would be withdrawn. However, there was no legal commitment to providing those funds until the Deal was signed.
- Officers explained the funding calculations for partner contributions confirming that region wide projects were equally funded but for individual projects for which specific partners would receive greater benefit (building/asset etc.) they would be expected to pay for the borrowing requirement associated with that project.
- Concerns regarding rural areas not being highlighted within the Growth deal were raised and the Leader and officers confirmed there were other funding stream available for rural areas. Rural areas will be invested in but not directly through the Growth Bid.
- All decisions made by the NWEAB would be published by each Local Authority. A Quarterly report would be produced and would attend twice a year at Scrutiny Committee.

Following discussions, the Leader proposed the recommendations, seconded by Councillor Julian Thompson-Hill and a vote took place.

A majority of members voted in favour of the report, 2 members abstained and 4 members voted against the report. Therefore, it was

RESOLVED:

- That Council approves the Overarching Business Plan as the document that sets out the arrangements to deliver the North Wales Growth Deal as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.
- That Council approves the provisions in Governance Agreement 2 relating to non-executive functions and specifically adopts the arrangements for Scrutiny set out in “Governance Agreement 2: Schedule 3” thereof as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.

- That Council authorises the accountable body, Gwynedd Council, to sign the Grant Funding Offer letter on behalf of the Partners.
- That Council approves the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and to include a provision within the Council's budget to pay this contribution and the established core and supplementary contributions as set out in GA2 (and in paragraphs 5.5 - 5.7 of the template report attached as part of Appendix 1).
- That Council grants the Chief Executive delegated authority in consultation with the Leader, Monitoring Officer and Section 151 Officer to agree minor changes to the documents with the Partners as necessary to complete the agreement.
- That Council confirms that it has read, understood and taken account of the contents of the Denbighshire County Council Well-being Impact Assessment attached as Appendix 2 as part of its consideration.

**AT THIS JUNCTURE (11.40 A.M.) THERE WAS A 15 MINUTE BREAK
THE MEETING RECOVERED AT 11.55 A.M**

6 DENBIGHSHIRE'S HOUSING AND HOMELESSNESS STRATEGY

The Lead Member for Housing and Communities, Councillor Tony Thomas, introduced the Denbighshire's Housing and Homelessness Report (previously circulated), to seek Members' approval to adopt the revised Denbighshire Housing and Homelessness Strategy and endorse the accompanying Action Plan.

Denbighshire's current Housing Strategy was approved by Council on 1 December 2015 and set out the Council's vision and aims for housing in the County for a five year period. Importantly it assisted in achieving a Corporate Plan priority by providing a framework and action plan for delivery (through working with partners) of all Council housing related functions (private & public). The Strategy also sat alongside the Local Development Plan.

The current Strategy identified 5 "Themes" to target priority areas for action:

- More homes to meet local need and demand
- Creating a supply of affordable homes
- Ensuring safe and healthy homes
- Homes and support for vulnerable people, and
- Promoting and supporting communities.

The existing Housing Strategy had a Steering Group made up of Lead Members, Heads of Service, Managers and Officer with a clear action plan and monitoring mechanisms. The Strategic Housing and Homelessness Group had been set up to develop a more co-ordinated approach. The Group agreed to amalgamate the Housing Strategy and Homelessness Strategies into one revised and updated Housing and Homelessness Strategy.

The Group was jointly Chaired by the Lead Member for Housing and Communities, Councillor Tony Thomas and the Lead Member for Well-being and Independence, Councillor Bobby Feeley.

An immediate priority was to develop a corporate approach to tackling homelessness as the Covid-19 pandemic had caused far greater pressures on the service.

During discussions, the following points were raised:

- Issues utilising Westminster Hotel to provide homeless people with accommodation were raised. It was confirmed that all people who had been accommodated had a support worker and had received a health and well-being assessment and have care plans. Work was taking place with people to ensure people received support if they had alcohol and drug use issues.
- Anti-social behaviour had been reported in areas where homeless people had been provided accommodation. It was confirmed a Strategy was to be presented to Rhyl Member Area Group for discussion.
- Empty homes had been a problem and work was continuing to contact owners of empty homes to enable them to be brought back into the housing market with the support of Denbighshire County Council.
- Denbighshire County Council were working regionally with Conwy County Borough Council on an initiative – Housing First – which was a separately funded initiative.
- It was requested that the recommendation read “Council approves the Housing and Homelessness Strategy with accompanying Action Plan as the framework for taking forward housing and homelessness issues”. All agreed homelessness should be added.

At this juncture, Members offered thanks to the Homeless Team for all the work they had carried out during the pandemic.

Following discussions, Councillor Tony Thomas proposed the recommendations, seconded by Councillor Bobby Feeley and a vote took place.

Members unanimously voted in favour of the report.

RESOLVED that Council approves the Housing and Homelessness Strategy and accompanying Action Plan as the framework for taking forward housing and homelessness issues.

7 PAY POLICY STATEMENT 2020/2021

The Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill, introduced the Pay Policy Statement Report (previously circulated).

The Lead Member for Finance, Performance and Strategic Assets, Councillor Julian Thompson-Hill, introduced the report (previously circulated) to seek Council approval of the Pay Policy Statement which had been drafted in accordance with the requirements of 38 (1) of the Localism Act 2011 and incorporated all existing

pay arrangements for the workforce groups within the Council, including Chief Officers and the lowest paid employees.

It was confirmed that the report should have been presented to Full Council in March 2020 but due to the Covid pandemic it had been delayed. A report would be presented to Council in March 2021 for the following financial year.

The Real Living Wage was raised by members and it was confirmed that a report regarding the Real Living Wage would be presented to Full Council in either January or February 2021.

Following discussions, Councillor Julian Thompson-Hill proposed the recommendations, seconded by Councillor Tony Thomas and a vote took place.

A majority of members voted in favour of the report, no-one abstained and 2 members voted against the report. Therefore, it was

RESOLVED that Council agree the recommendation from the Senior Leadership Remuneration Panel to the changes to the Pay Policy for 2020/21 (copy in Appendix A)

8 ANNUAL REPORT OF THE CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Councillor Barry Mellor (Chair of Corporate Governance Committee) introduced the Annual Report of the Corporate Governance Committee (previously circulated) to inform all members of the work of the Committee for the municipal year 2019/20.

The Council was statutorily required under the provisions of the Local Government Wales Measure 2011 to have an Audit Committee. The Committee was the Council's designated committee for this purpose.

The Council's Constitution provided that the membership of the Committee was made up of six elected Members on a politically balanced basis. There was no requirement for the Committee to be politically balanced. There was a statutory requirement to have at least one independent lay member of the Committee and the current lay member was Mr Paul Whitham.

Each meeting was attended by the Council's s151 Officer, Monitoring Officer and Head of Internal Audit or their representatives. In addition, each meeting was attended by officers of the Wales Audit Office (WAO).

During the period covered by the report, the Committee had received a number of internal annual reports on matters relating to governance.

The Committee also undertook a self-assessment of its own performance compared to current best practice. The assessment was against a checklist from the Chartered Institute of Public Finance and Accountancy (CIPFA guidance "Audit Committees – Practical Guidance for Local Authorities and Police 2018 Edition".

Councillor Barry Mellor took the opportunity to thank the representatives of the WAO and all officers who attend the Corporate Governance meetings. In particular, he recognised the amount of work undertaken by the Internal Audit team. Thanks were extended to each member of the Committee as the agendas were often lengthy but the Committee members were always well prepared for the meeting.

Lead Members were also thanked for their attendance at Committees and for their support.

Members expressed their gratitude to the Chair and Committee members of Corporate Governance for all their hard work.

A vote took place and it was unanimously agreed to note the Corporate Governance and Audit Committee Annual Report.

RESOLVED that Members of Full Council noted the content of the Annual Report of the Corporate Governance and Audit Committee.

9 NOTICE OF MOTION

Councillor Joan Butterfield put forward the following Notice of Motion on behalf of the Labour Group for consideration by Full Council.

“That Denbighshire County Council :

Write to all private sector delivers of Social Care in the county, that they should review their sickness absence policy’s,so that as a bare minimum they match the same sickness provision as Local Authorities employees, including full pay for staff on sick leave with coronavirus.

This will help contribute fully to fight this deadly virus.”

During discussions, Councillor Paul Penlington stated that the Notice of Motion had been dealt with by the Welsh Government and proposed an amendment that DCC write to private providers to make sure they are aware of the enhanced scheme.

Councillor Paul Penlington proposed an amendment to the Notice of Motion, seconded by Councillor Rhys Thomas.

A vote took place for the amendment. A majority of members voted in favour of the amendment, 9 members voted against and 1 member abstained from the vote. Therefore, the amendment to the Notice of Motion was moved.

A vote then took place for the substantive Motion as follows. A majority of members voted in favour, 0 voted against, and 1 member abstained.

Therefore, it was:

RESOLVED the Denbighshire County Council write to private providers to ensure they are aware of the enhanced scheme.

10 NOTICE OF MOTION

Councillor Mabon ap Gwynfor put forward the following Notice of Motion for consideration by Full Council.

That Denbighshire County Council calls on the Welsh Government to change the Planning Act in order that it is compulsory to have planning permission to convert a dwellinghouse into a holiday home/holiday unit, and adapts the policy framework to allow thresholds to be set regarding the maximum numbers of holiday homes in any area.

At this juncture, Councillor Graham Timms declared a prejudicial interest as he owns a holiday home and left the meeting for this item.

Councillor Mark Young proposed an amendment that the Notice of Motion be presented at Scrutiny Committee for further discussion. The amendment was seconded by Councillor Martyn Holland.

A vote took place for the amendment. Members unanimously voted in favour of the amendment. Therefore, the amendment to the Notice of Motion was moved.

A vote then took place for the substantive Motion as follows. Members unanimously voted for the Notice of Motion to be presented at Scrutiny for further discussion.

Therefore, it was:

RESOLVED that the Notice of Motion be presented at Scrutiny for further discussion.

11 NOTICE OF MOTION

Councillor Martyn Holland withdrew the Notice of Motion.

12 COUNTY COUNCIL FORWARD WORK PROGRAMME

The Head of Legal, HR and Democratic Services introduced the Council's forward work programme (previously circulated).

26 January 2021 – Real Living Wage to be added

23 February 2021 – Pay Policy Statement to be added

RESOLVED subject to the above, that the Council's forward work programme be approved and noted.

THE MEETING CONCLUDED AT 2.15 P.M.

Report to	County Council
Date of meeting	26 th January 2021
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Budget 2021/22 - Final Proposals

1. What is the report about?

The report sets out the implications of the Local Government Settlement 2021/22 and proposals to finalise the budget for 2021/22.

2. What is the reason for making this report?

2.1 The Council is legally required to set a balanced and deliverable budget before the start of each financial year and to set the resulting level of Council Tax to allow bills to be sent to residents.

2.2 To provide an overview of the budget process and the impact of the Local Government Settlement and to approve the budget for 2021/22, including the level of Council Tax.

3. What are the Recommendations?

3.1 To note the impact of the Draft Local Government Settlement 2021/22.

3.2 That Council approves the proposals outlined in Appendix 1, and detailed in Section 4, in order to finalise the budget for 2021/22.

3.3 That Council approve the average Council Tax rise of 3.8% proposed.

3.4 That Council delegate authority to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget

proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner.

3.5 That Council confirms that it has read, understood and taken account of the Well-being Impact Assessment.

4. Report details

4.1 The Draft Local Government Settlement for 2021/22 was received by the council on 21st December and resulted in a positive settlement of +3.6%, compared to the Welsh average of 3.8%. The Final Settlement is expected on the 2nd March but Welsh Government (WG) have indicated that there should be very few changes.

4.2 As part of the settlement there were 'transfers in' of £1.280m which have been passported to the relevant service areas as in previous years:

- 2020/21 Teachers' Pay Grant - £0.135m
- Coastal Risk Management Programme £1.145m

4.3 The final proposals to balance the 2021/22 budget are shown in the Medium Term Financial Plan (MTFP) in Appendix 1. The main areas of growth and pressures are:

- Pay pressures of £0.870m
- Price and energy inflation of £250k
- Fire Service Charge of £162k
- Allowance for increase in Council Tax Reduction Scheme of £350k
- Schools inflationary pressures are recognised amounting to £1.205m
- Schools investment in Additional Learning Needs £1.192m
- Schools investment in small schools' sustainability £161k
- Schools demographic pressure of £718k
- £2.4m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets
- £0.750m to recognise existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment.
- £250k pressures in Waste Services have been recognised based on estimates of ongoing year pressures

- Impact of previous by Council/Cabinet decisions (eg Rhyl Flood Scheme, North Wales Economic Ambition Board): £0.276m
- £389k pressure for investment in Carbon Zero Target required in order to the 2030 target agreed by Council.
- Investment of £250k in the Ash Die-Back problem. This would make permanent the one-off funding identified in last year's budget.
- In light of the scale of the pressures and the Covid and Brexit impact still unresolved a contingency of £683k has been included

4.4 The pressures identified above amount to £9.903m. The impact of using £685k of cash in 20/21 (which has the effect of just delaying the need to identify savings) means that the total shortfall amounted to £10.588m. A draft settlement of around 8% would have been required in order to fund all these pressures. The net +3.6% settlement generates £5.42m additional revenue leaving a funding gap of £5.167m. The following items are included in the proposals in order to bridge that gap:

- Fees and Charges Income Budgets have been inflated in line with agreed Fees and Charges policy which increases external income by £0.462m.
- Operational efficiencies amounting to £690k mostly identified by services throughout the year and within Head Service delegated responsibility in consultation with Lead Members.
- Savings of £0.781m have also been identified which change service provision in some way and which were shared in detail with Cabinet and Council in the December briefings.
- 1% (£0.733m) Schools efficiency target from Schools Delegated Budgets. As school budgets are devolved, it will be for each governing body to determine how the savings will be delivered.
- It is recommended that the Council Tax increases by 3.8% which will generate £2.132m additional revenue. This compares to last year's increase of 4.3% and 6.35% the year before that.
- Finally, the Council Tax Base has increased more than expected this year which means that additional Council Tax of £369k is projected.

5. How does the decision contribute to the Corporate Priorities?

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities. The proposals include allocations to continue to support priorities.

6. What will it cost and how will it affect other services?

Details are set out in Section 4.

7. What are the main conclusions of the Well-being Impact Assessment?

Well-being Impact Assessments for the Council Tax increase is included in Appendix 3.

8. What consultations have been carried out with Scrutiny and others?

In addition to regular reports to the Corporate Governance Committee, the budget process has been considered by SLT, Cabinet Briefing, Group Leaders and Council Briefing meetings. The School Budget Forum have been included in the proposals through-out the year. Trade Unions have been consulted through Local Joint Consultative Committee. The Covid pandemic has impacted on the level of consultation and engagement with the public, however plans are in place to engage early with all stakeholders during the budget process for 2022/23.

9. Chief Finance Officer Statement

9.1 The aim of the budget process is to ensure that the council delivers a balanced budget. The impact of the pandemic and the uncertainty over the level and timing of financial settlements again this year has made financial planning even more challenging. However, the draft settlement when it was finally issued continued a welcome return to positive settlements which hopefully recognise the important work Local Government delivers and the pressures that it faces.

9.2 The proposals set out in this report offer a balanced approach which takes into account the following principles:

- Aim to recognise and remedy in year and forecast service pressures as much as possible in order to build in resilience.
- Ensure services are challenged to deliver efficient services, but to try and minimise the impact of proposals on services users and staff.
- Keep Council Tax increases as low as practicable.
- Limit the use of Cash which only delays the need to identify savings.
- Maintain funding for corporate priorities.

9.5 Due to the very late date for the Final Settlement it is recommended that Cabinet and Council delegate authority to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k. WG has indicated that there are unlikely to be any material changes, however it is sensible to have a contingency plan agreed beforehand.

9.4 If the proposals in this report are not accepted, alternative proposals must be submitted to balance the budget.

10. What risks are there and is there anything we can do to reduce them?

The budget process itself is a risk management measure with the aim of identifying, assessing and agreeing budget proposals in a planned and timely way. Failure to agree these proposals without viable alternatives will risk achieving a balanced budget for 2021/22.

11. Power to make the decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

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Appendix 1 FINAL PROPOSALS 2021/22

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Funding				
Revenue Support Grant & NNDR (RSG)	151,932	158,632	158,632	158,632
Council Tax	55,685	58,187	60,948	63,707
SSA / Budget Requirement	207,616	216,818	219,579	222,339
Use of Balances	685			
Total Funding	208,301	216,818	219,579	222,339
Expenditure				
Base Budget	198,538	208,302	216,819	220,906
Inflation / Pressures:				
Pay	1,124	870	1,019	1,019
Price - targeted	100	100	100	100
Price - NSI Energy	150	150	150	150
CTRS	350	350	350	350
Fire Authority Charge	93	162	100	100
Income Inflation		(462)	(500)	(500)
Social Services	2,600	2,397	500	500
Childrens Service	1,546	750		
Other Service Pressures		286		
Waste Pressures	1,400	250		
School Transport	600			
Schools Inflation	2,852	1,205	1,000	1,000
Schools Investment		1,353		
Schools Demography Adjustment	716	718	787	787
Covid / Brexit Contingency	358	683		
Other known items:				
Investment in Priorities 1	250		250	250
Investment in Priorities 2	250		250	250
Investment in Priorities 3	29	176	81	
NWEAB Growth Deal		64		
Carbon Zero Project		389		
Transfers into/out of Settlement	1,794	1,280		
EFFICIENCIES / SAVINGS:				
Pensions Triennial Review	(2,000)			
Service Efficiencies - BAU	(1,756)	(690)		
Service Savings		(781)		
Schools Efficiency Target	(692)	(733)		
Total Expenditure	208,302	216,819	220,906	224,912
Funding Shortfall / (Available)	0	0	1,327	2,573

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Council Tax Sensitivity Analysis

2021/22	Increase %	Increase in Band D £	Proposed Band D £	Total Funding £000	Inc/Dec in Funding £000
	0.00%	0.00	1,384.16	56,054	0
	0.50%	6.92	1,391.08	56,335	281
	1.00%	13.84	1,398.00	56,615	561
	1.50%	20.76	1,404.92	56,896	842
	2.00%	27.68	1,411.84	57,177	1,122
	2.25%	31.14	1,415.30	57,317	1,263
	2.50%	34.60	1,418.76	57,457	1,403
	2.75%	38.06	1,422.22	57,597	1,543
	3.00%	41.52	1,425.68	57,738	1,683
	3.25%	44.99	1,429.15	57,878	1,824
	3.50%	48.45	1,432.61	58,018	1,964
	3.75%	51.91	1,436.07	58,159	2,104
Current Recommendation	3.80%	52.60	1,436.76	58,187	2,132
	4.00%	55.37	1,439.53	58,299	2,245
2020/21 Increase	4.30%	59.52	1,443.68	58,467	2,413
	4.50%	62.29	1,446.45	58,579	2,525
	4.80%	66.44	1,450.60	58,748	2,693
	4.95%	68.52	1,452.68	58,832	2,778
	5.00%	69.21	1,453.37	58,860	2,806
	5.25%	72.67	1,456.83	59,000	2,946
	5.50%	76.13	1,460.29	59,141	3,086
	5.75%	79.59	1,463.75	59,281	3,227
	6.00%	83.05	1,467.21	59,421	3,367
	6.25%	86.51	1,470.67	59,561	3,507
2019/20 Increase	6.35%	87.89	1,472.05	59,618	3,563
	6.40%	88.59	1,472.75	59,646	3,591
	6.50%	89.97	1,474.13	59,702	3,647

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Council Tax 2021/22

Well-being Impact Assessment Report

This report summarises the likely impact of the proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	879
Brief description:	It is a proposed rise in Council Tax of 3.8% in order to support the 2021/22 budget.
Date Completed:	01/01/2021 15:18:41 Version: 1
Completed by:	Steve Gadd
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Council Tax payers in Denbighshire
Was this impact assessment completed as a group?	Yes

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach

★ ★ ★ ★ (3 out of 4 stars) Actual score : 24 / 30.

Implications of the score

Whilst the Council Tax rise will increase the amount paid, it also allows the council to increase funding to provision in key areas such as social care and schools and maintain service levels broadly (there are some reductions but are not significant in terms of the size entire package) throughout other areas during 2021/22

Summary of impact

Well-being Goals

A prosperous Denbighshire

A resilient Denbighshire

A healthier Denbighshire

A more equal Denbighshire

A Denbighshire of cohesive communities

A Denbighshire of vibrant culture and thriving Welsh language

A globally responsible Denbighshire

Neutral

Positive

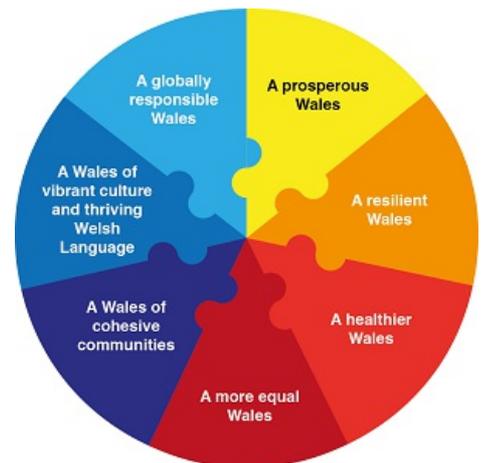
Neutral

Neutral

Positive

Neutral

Neutral



Main conclusions

The impacts are broadly neutral. This is because the Council Tax rise proposed supports a budget that protects existing service levels and increases investment in social care, schools and in other priorities. Clearly the impact is the increased tax paid by residents. The main mitigation is that around 25% of tax payers receive financial support through the Council Tax Reduction Scheme. However, it is recognised that for some taxpayers, the proposed rise will create an additional financial burden, particularly for those with relatively fixed incomes or little disposable income.

Evidence to support the Well-being Impact Assessment

- We have consulted published research or guides that inform us about the likely impact of the proposal
- We have involved an expert / consulted a group who represent those who may affected by the proposal
- We have engaged with people who will be affected by the proposal

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Neutral
Justification for impact	Whilst the Council Tax rise will increase the amount paid, it also allows the Council to increase funding to provision in key areas such as social care, waste services, children's services and schools and maintain service levels broadly. It also allows funding of a number of corporate priorities including Carbon Neutral targets, Flood Defence and coping with Ash die-back.
Further actions required	There will be an impact on the personal budgets of those who will not qualify for support: residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support.

Positive impacts identified:

A low carbon society	Funding for Carbon Zero projects are included in the overall proposals.
Quality communications, infrastructure and transport	
Economic development	Contingency in place to help finance local Covid Recovery strategy.
Quality skills for the long term	Investment in Schools have been included within the proposals.
Quality jobs for the long term	
Childcare	

Negative impacts identified:

A low carbon society	
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire

Overall Impact	Positive
Justification for impact	The Council Tax rise proposed supports a budget that includes continued support in key priority areas highlighted such as biodiversity and flood risk management. The budget allows for a number of service pressures which will stand the Council in good stead to face the funding challenges of future years.
Further actions required	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

Positive impacts identified:

Biodiversity and the natural environment	Corporate Priorities in this area are being recognised in the budget proposals.
Biodiversity in the built environment	Corporate Priorities in this area are being recognised in the budget proposals.
Reducing waste, reusing and recycling	Further investment in Waste services are included in the proposals.
Reduced energy/fuel consumption	Carbon zero project includes investment in fleet and building to reduce energy consumption
People's awareness of the environment and biodiversity	Corporate Priorities in this area are being recognised in the budget proposals.
Flood risk management	Specific funding is included in the proposals to match fund capital investment in flood defences.

Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire	
Overall Impact	Neutral

Justification for impact	The proposal to raise Council Tax supports a budget that allows service eligibility criteria to be maintained as much as possible. Not implementing the proposed rise would inevitably lead to reductions in service provision.
Further actions required	Residents will pay more Council Tax - however there is support via the Council Tax reduction scheme for those who qualify for such support. Help to those who do not qualify for Council Tax Reduction Scheme support, flexible payment options are available. Also, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it.

Positive impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	The Council Tax proposal supports a budget that maintains activity and service eligibility criteria in 2021/22 and provides increased funding for social care.
Access to healthcare	
Participation in leisure opportunities	

Negative impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	In some circumstances, where residents have relatively fixed incomes or little disposable income and do not qualify for support, the additional cost may cause a degree of anxiety or stress.
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that avoids significant cuts to services received by the public in 2021/22. There are no known negative impacts on people with protected characteristics, there is an assumption that some people with protected characteristics will be eligible for council tax relief.

<p>Further actions required</p>	<p>Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. If someone is eligible for Council Tax support, the support applies immediately and so there would be no delay in accessing the support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.</p>
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Positive impacts identified:

<p>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</p>	<p>The proposals allow for additional funding to be allocated to social care budgets. There are no known negative impacts on people with protected characteristics, there is an assumption that some people with protected characteristics will be eligible for council tax relief.</p>
<p>People who suffer discrimination or disadvantage</p>	
<p>Areas with poor economic, health or educational outcomes</p>	
<p>People in poverty</p>	

Negative impacts identified:

<p>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</p>	
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People who suffer discrimination or disadvantage	
Areas with poor economic, health or educational outcomes	
People in poverty	Residents will pay more Council Tax. Those who qualify will be supported by the Council Tax reduction scheme. There will be some residents who do not qualify and for whom the tax rise will be an additional burden.

A Denbighshire of cohesive communities

Overall Impact	Positive
Justification for impact	The proposal to raise Council Tax supports a budget that protects front line services and protects the investment in new priority areas to enhance community resilience.
Further actions required	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

Positive impacts identified:

Safe communities and individuals	
Community participation and resilience	The proposal avoids significant cuts to service levels during 2021/22 and builds in priority investment in connecting communities and resilience as part of the priority funding for 2021/22.
The attractiveness of the area	
Connected communities	
Rural resilience	

Negative impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that helps to maintain services received by the public.
Further actions required	The negatives are managed through Council Tax relief being available for those who qualify for the support, though clearly this does not address the impact on all residents.

Positive impacts identified:

People using Welsh	The Council tax collection service and all correspondence is available through the medium of Welsh.
Promoting the Welsh language	
Culture and heritage	

Negative impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire

Overall Impact	Neutral
Justification for impact	The proposal to raise Council Tax supports a budget that allows service levels to be broadly maintained in 2021/22 and so should not therefore adversely impact supply chains.
Further actions required	Residents will pay more Council Tax - however there is support via the Council Tax Reduction Scheme for those who qualify for such support. For those who do not qualify for Council Tax Reduction Scheme support, the Council works closely and proactively with Citizens Advice to provide help and support with personal budgeting to those residents who may require it. Flexible payment options are available over ten or twelve months.

Positive impacts identified:

Local, national, international supply chains	The proposal allows for service levels to be broadly maintained during 2021/22.
Human rights	
Broader service provision in the local area or the region	It also allows funding of a number of corporate priorities including Carbon Neutral targets, Schools, Social Care, Waste services and coping with Ash die-back.

Negative impacts identified:

Local, national, international supply chains	
Human rights	
Broader service provision in the local area or the region	

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Report to	County Council
Date of meeting	26 th January 2021
Lead Member / Officer	Julian Thompson-Hill / Steve Gadd, Head of Finance and Property
Report author	Leah Gray (Civica) / Steve Gadd
Title	Council Tax Reduction Scheme 2021/22

1. What is the report about?

The adoption of the All Wales Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the All Wales Council Tax Reduction Schemes and Prescribed Requirements and Default Scheme (Wales) Amendment Regulations 2021.

2. What is the reason for making this report?

The Welfare Reform Act 2012 contained provisions to abolish council tax benefit in its current form across the UK. From 31 March 2013 council tax benefit ceased and the responsibility for providing support for council tax and the funding associated with it, has been passed to the Welsh Government. The Welsh Government, in partnership with local authorities in Wales, introduced a new scheme to provide council tax support which was adopted by the Council in January 2013. The Welsh Government have finalised both sets of regulations on 2nd December 2019 and the new Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and amendments Regulations 2020 are required to be adopted by 31st January 2021.

3. What are the Recommendations?

3.1. That members adopt the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021 in respect of the 2021/22 financial year.

3.2. That members approve the discretionary elements of the scheme, shown in section 4.4, for 2021/22 financial year.

4. Report details

4.1. The Proposed Scheme 2021/22

In considering the development of a new scheme for 2020/21 the Welsh Government agreed that the amended scheme should observe the following parameters:

- To continue with a single nationally defined scheme to providing a consistent level of support to claimants across Wales. The maximum level of support is set at 100%.
- To continue providing a small number of discretionary elements, similar to those available under the current scheme, allowing local authorities to respond to their differing local circumstances (provided that the costs of any local variation are locally funded).
- To continue to be based on a reform of the previous Council Tax Benefit system, until 2022-23 so that operational risks are managed and that support can continue to be provided.

4.2 Uprating for 2021/22

The amended 2013 CTRS Regulations uprate financial figures used to calculate entitlement to a reduction in line with Welsh Government policy. A number of other figures are included in the uprating for 2021/22. These include:

- Personal allowances in relation to working age, and carer and disabled premiums
The financial figures in respect of these allowances have been amended and have increased in line with the cost-of-living rises. The convention is to uprate in line with the Consumer Price Index figure for September from the previous year (2020), which is 0.5%.
- Personal allowances in relation to pensioners
The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit. These have been calculated with assistance from the Department of Work and Pensions and have been uprated by different mechanisms. For example, the Pension Credit

Standard Minimum Guarantee is updated by earnings, whereas the Additional Pension and increments are updated by prices.

- Non-dependant deductions The financial figures for the income bands and deductions made in relation to non-dependants have been updated. If amendments are not made, the deductions from CTRS awards would not be appropriate as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.

4.3 Additional Amendments

Amendments related to the Windrush Compensation Scheme

This compensation scheme (“the Scheme”) is designed to compensate individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom.

The proposed amendments to the 2013 CTRS Regulations make provision that compensation payments made under the Scheme will be disregarded from capital when determining an applicant’s eligibility for a reduction and the amount of that reduction.

Universal Credit Run-On Disregard

Entitlement to Universal Credit (UC) ends when a person (or mixed-age couple) reaches the qualifying age for state pension credit (PC). From this point, claimants can instead claim pension-age benefits such as Pension Credit (PC).

Previously, claimants who reached state pension age during the assessment period risked there being a gap between their last UC payment and their first PC (and other pension-age benefits) payments. DWP is taking steps towards a smoother transition from UC to pension-age benefits, with no risk of gaps in entitlement for claimants. To achieve this, DWP is making additional UC run on payments to cover the entire month in which a claimant reaches pension-age. For some claimants, depending on which date within the month they reach this age, there will be an overlap in the receipt of this UC run-on payment and pension-age benefits.

The proposed amendments to the 2013 Regulations make provision that any ‘additional income’ resulting from such an overlap is not to be considered as income when determining eligibility for a pension-age council tax reduction in Wales.

4.4 Discretionary Elements for Council Decision

- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks
- b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income
- c) The ability to backdate, for up to 6 months any application of Council Tax Support awards for working age customers more than the standard period of 3 months prior to the claim.

5. How does the decision contribute to the Corporate Priorities?

Adopting this scheme will help vulnerable people, ensuring they are able to live as independently as possible, reduce homelessness and child poverty.

6. What will it cost and how will it affect other services?

£8.920m has been identified in the settlement for Denbighshire for Council Tax Support from the Welsh Government (£8.935m last year). However current expenditure is £10.614m and if the Net Council Tax increased by 3.6% (i.e the councils proposed increase) the forecast expenditure for 2021/22 is circa £10.996m. This gives a shortfall of around £2.076m for 2021/22 for which budgetary provision has been made since 2013 and further £350k additional provision has been proposed as part of the budget proposals for 2021/22.

7. What are the main conclusions of the Well-being Impact Assessment?

A Well-being Impact Assessment has not been completed for this report as the proposal is for the extension of the current scheme which was consulted on in 2012. There are no material changes proposed (and no changes to the discretionary elements), however it is a legal requirement that the scheme is formally approved by Council on an annual basis.

8. What consultations have been carried out with Scrutiny and others?

Not applicable as this is an extension of the current scheme, which was consulted on in 2012.

9. Chief Finance Officer Statement

The Council is required to adopt a reduction scheme annually. As funding for CTRS has remained static, or reduced across Wales for a number of years the impact of Council Tax rises on the reduction scheme has to be funded locally. The proposals in this report have been included as part of the budget proposals for 2021/22. Welsh Government have helped fund the specific shortfall in funding in 2020/21 relating to the increases in cases due to the impact of Covid 19. It is not known yet whether this funding will be available for 2021/22.

10. What risks are there and is there anything we can do to reduce them?

There are risks to the Council in not adopting this scheme, in that Denbighshire CC would then have to adopt the default scheme, which may increase the total cost.

11. Power to make the decision

Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.
The Council Tax Reduction Scheme (Default Scheme) (Wales) Regulations 2013.
Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021.

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**Explanatory Memorandum to the Council Tax Reduction Schemes
(Prescribed Requirements and Default Scheme) (Wales) (Amendment)
Regulations 2021**

This Explanatory Memorandum has been prepared by Local Government Strategic Finance Division and is laid before the Senedd in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021. I am satisfied the benefits justify the likely costs.

Rebecca Evans
Minister for Finance and Trefnydd
1 December 2020

PART 1: DESCRIPTION

1 Overview

- 1.1 Council Tax Reduction Schemes (CTRS) are the mechanism by which local authorities provide support to low income households in meeting their council tax liability.
- 1.2 This statutory instrument makes amendments to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (referred to collectively in this Explanatory Memorandum as ‘the 2013 CTRS Regulations’). It updates certain figures used to calculate an applicant’s entitlement to a reduction under a Council Tax Reduction Scheme, and the subsequent level of reduction and makes certain technical and consequential amendments.

2 Matters of special interest to the Legislation, Justice and Constitution Committee

- 2.1 There are no matters of special interest.

3 Legislative background

- 3.1 Section 10 of, and Schedule 4 to, the Local Government Finance Act 2012 inserted a new Section 13A and new Schedule 1B into the Local Government Finance Act 1992 (the 1992 Act). These provisions enabled the Welsh Ministers to introduce Council Tax Reduction Schemes (CTRS) in Wales via regulations.
- 3.2 The relevant provisions in the Local Government Finance Act 2012 were subject to a Legislative Consent Motion which was approved by the National Assembly for Wales on 26 June 2012. The Local Government Finance Act 2012 received Royal Assent on 1 November 2012.
- 3.3 This statutory instrument is made pursuant to powers in section 13A and Schedule 1B to the Local Government Finance Act 1992. The instrument is subject to approval of the Senedd (the affirmative procedure) by virtue of section 13A(4) of the 1992 Act”.

4 Purpose and intended effect of the legislation

- 4.1 This statutory instrument amends the 2013 CTRS Regulations to update certain figures in those Regulations used to calculate entitlement to a council tax reduction, and the amount of any reduction awarded to applicants in the 2021-22 financial year to reflect increases in the cost-of living. It also makes minor technical and consequential changes to the 2013 CTRS Regulations.

Background

- 4.2 The Welfare Reform Act 2012 contained provisions to abolish Council Tax Benefit from 31 March 2013. From 1 April 2013, responsibility for providing support for council tax was devolved to local authorities in England. Fixed funding, reduced by 10% compared to the 2012-13 costs, was passed to the Welsh Government and to the Scottish Government to allow the Devolved Administrations to develop replacement schemes.
- 4.3 Following the UK Government's decision, the Welsh Government sought provisions in the Local Government Finance Act 2012 which amended the Local Government Finance Act 1992 (the 1992 Act), to provide the Welsh Ministers with executive powers to introduce Council Tax Reduction Schemes in Wales via regulations.
- 4.4 The 2013 CTRS Regulations were approved by the National Assembly for Wales on 26 November 2013.
- 4.5 The Welsh Government provided £244m in the Local Government Settlement for CTRS for 2013-14. This was partly funded through the fixed budget of £222m which was transferred from the UK Government. The Welsh Government provided an additional £22m to enable local authorities to continue to provide all eligible applicants with their full entitlement to support. The Welsh Government has continued to provide £244m within the local government settlement each year since.

2013 CTRS Regulations

- 4.6 Aligned with the provisions in the 1992 Act, the 2013 CTRS Regulations govern the operation of CTRS in Wales. These regulations were closely based on the previous Council Tax Benefit rules to prevent low-income households facing sharp changes in the level of support they received. All eligible applicants were automatically and seamlessly transferred from Council Tax Benefit onto Council Tax Reduction Schemes from 1 April 2013. If an applicant receives Income Support, Income-Based Jobseeker's Allowance (JSA), Income-Based Employment and Support Allowance (ESA), Pension Credit, or Pension Credit Guarantee, they are entitled to the maximum, full, reduction in their council tax liability. Approximately 70% of CTRS applicants in Wales receive these passporting benefits.
- 4.7 If an applicant does not receive any of the passporting benefits, the weekly amount of money which they are judged to need to live on is calculated. This is known as the 'applicable amount' and consists of two components:
 - The first is the personal allowance – the basic amount a person needs to live, which varies according to the household's circumstances. For example, the allowance for a couple with children is higher than for a single person without children. These allowances are also set at higher rates for those who have reached State Pension Age.

- The second component is the premium – additional amounts added to reflect any personal circumstances which increase the cost of living, such as a disability or carer’s responsibilities. Once the applicable amount has been determined, the applicant’s level of income is calculated.
- 4.8 For CTRS, Universal Credit (UC) recipients are treated in a similar way to non-passported applicants. However, instead of an ‘applicable amount’ being calculated, the ‘maximum amount’ (calculated within their UC application) is used instead.
- 4.9 If the applicable amount (or maximum amount) is higher than an applicant’s calculated income, they are entitled to the maximum reduction in their council tax liability. If income exceeds the applicable amount, the weekly entitlement is reduced by 20p for each £1 of excess weekly income, until entitlement is withdrawn – this is known as the taper.
- 4.10 Adjustments can be made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant and who are therefore assumed to make a financial contribution to the household (non-dependant deductions).
- 4.11 Adjustments can also be made to take into account of savings. If an applicant has capital of £6,000 (or £10,000 for pension age claimants) or less, this will be ignored when working out whether they are entitled to a reduction.
- 4.12 If a working-age applicant has capital of between £6,000 and £16,000, the local authority will treat it as income. This is known as tariff income. The local authority will assume an applicant has an income of £1 a week for each £250 of capital between £6,000 and £16,000. This will be added to other income to work out whether an applicant is entitled to a reduction and how much they are entitled to.
- 4.13 If a pension-age applicant has capital of between £10,000 and £16,000, the local authority will treat it as income. The local authority will assume an applicant has an income of £1 a week for each £500 of capital between £10,000 and £16,000. This will be added to other income to work out whether an applicant is entitled to a reduction and how much they are entitled to.

Uprating figures for 2021-22

- 4.14 This statutory instrument amends the 2013 CTRS Regulations to uprate financial figures used to calculate entitlement to a reduction in line with Welsh Government policy.
- 4.15 The statutory instrument seeks to uprate a number of other figures included in the 2013 CTRS Regulations. These include:

- Personal allowances in relation to working age, and carer and disabled premiums
The financial figures in respect of these allowances have been amended and have increased in line with the cost-of-living rises. The convention is to uprate in line with the Consumer Price Index figure for September from the previous year (2020), which is 0.5%.
- Personal allowances in relation to pensioners
The financial figures in respect of pensioner rates have been amended and are aligned with Housing Benefit. These have been calculated with assistance from the Department of Work and Pensions and have been uprated by different mechanisms. For example, the Pension Credit Standard Minimum Guarantee is uprated by earnings, whereas the Additional Pension and increments are uprated by prices.
- Non-dependant deductions
The financial figures for the income bands and deductions made in relation to non-dependants have been uprated. If amendments are not made, the deductions from CTRS awards would not be appropriate as the income thresholds would no longer reflect average earnings and the deduction would no longer reflect the overall cost of council tax.

Additional Amendments

4.16 In addition to uprating the financial figures, this statutory instrument makes a number of other amendments to the 2013 CTRS Regulations. These make provision for the treatment of two other types of payments and ensure the 2013 Regulations remain up-to-date and fit for purpose.

Amendments related to the Windrush Compensation Scheme

4.17 This compensation scheme (“the Scheme”) is designed to compensate individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom.

4.18 The proposed amendments to the 2013 CTRS Regulations make provision that compensation payments made under the Scheme will be disregarded from capital when determining an applicant’s eligibility for a reduction and the amount of that reduction.

Universal Credit Run-On Disregard

4.19 Entitlement to Universal Credit (UC) ends when a person (or mixed-age couple) reaches the qualifying age for state pension credit (PC). From this point, claimants can instead claim pension-age benefits such as Pension Credit (PC).

- 4.20 Previously, claimants who reached state pension age during the assessment period risked there being a gap between their last UC payment and their first PC (and other pension-age benefits) payments. DWP is taking steps towards a smoother transition from UC to pension-age benefits, with no risk of gaps in entitlement for claimants. To achieve this, DWP is making additional UC run on payments to cover the entire month in which a claimant reaches pension-age. For some claimants, depending on which date within the month they reach this age, there will be an overlap in the receipt of this UC run-on payment and pension-age benefits.
- 4.21 The proposed amendments to the 2013 Regulations make provision that any 'additional income' resulting from such an overlap is not to be considered as income when determining eligibility for a pension-age council tax reduction in Wales.

PART 2: REGULATORY IMPACT ASSESSMENT (RIA)

Options

Option 1 – Do nothing

- 1 If the financial figures used to assess household allowances in the council tax reduction means-test remained static, the criteria used would be slightly less generous for non-passported applicants and would lead to small decreases in support in real terms.
- 2 The financial figures used to assess the eligibility of households with non-dependants would be out-of-date. The income thresholds would no longer reflect average earnings and the adjustment made to the final council tax reduction would no longer reflect overall cost of council tax.
- 3 If consequential amendments are not made to the 2013 CTRS Regulations, this would mean that they would not take account of changes to related welfare benefits and other legislation. This could disadvantage some applicants by reducing or stopping their entitlement to support. It could also create confusion for applicants and increase the administrative burden for local authorities and advice providers.

Option 2 – Make amending Regulations

- 4 This option would mean that amendments would be made to uprate the financial figures in the 2013 CTRS Regulations in line with to Welsh Government policy, cost-of-living increases and changes to qualifying benefits.
- 5 The financial figures in relation to working age, disability or carer rates will continue to increase with the cost of living for 2020-21 (0.5%, as measured by CPI). The personal allowances for pensioners will be uprated to align with those for Housing Benefit and the benefits system. The increase would be aligned to the UK Government's Standard Minimum Guarantee and Savings Credit.
- 6 The financial figures used to calculate the adjustment for non-dependant deductions would be uprated. The income thresholds in relation to non-dependants would be uprated to reflect average earnings and the non-dependant deduction from CTRS would reflect the average increase in council tax.
- 7 The necessary technical and consequential amendments would also be made.

Costs and Benefits

Costs

Option 1 – Do nothing

- 8 If the financial figures for working age and pensioner allowances do not increase with the cost of living (as measured by CPI), CTRS recipients would be slightly worse off in real terms.
- 9 The financial figures used to assess the eligibility of households with non-dependants would also be out-of-date. The calculation would no longer make a fair assessment of the income of non-dependants or the overall cost of council tax. There is a risk that this aspect of the scheme would be viewed as unfair or inequitable.
- 10 If the technical and consequential amendments to the 2013 CTRS Regulations are not made, they would no longer align with Housing Benefit provisions and other related benefits. It would lead to references being out of sync with the overall benefits system and could disadvantage certain applicants by reducing their entitlement to support. This could potentially lead to additional administrative burden on local authorities and advice providers. It may also lead to confusion for some applicants who, as a result, could be treated significantly differently under benefit schemes.

Benefits

- 11 Not uprating pensioner and working age figures would help to limit any increases in total reductions under CTRS. However, not uprating figures in relation to non-dependant deductions, would result in council tax reductions for relevant households being higher than they would otherwise be.

Option 2 – Make amending Regulations

Costs

- 12 Uprating the financial figures in respect of pensioners and working age allowances would slightly increase total reductions under CTRS. However, if the financial figures in relation to non-dependant deductions were also uprated, this would mitigate some of the increase in total reductions. Consequently, total council tax reductions are not expected to rise significantly as a result of the uprating.

Benefits

- 13 Uprating the financial figures in the 2013 CTRS Regulations will ensure that the personal allowance for working age applicants continues to increase in line with the CPI (0.5%).

- 14 Uprating the financial figures in respect of the personal allowance for pensioners continues to increase in line with the Standard Minimum Guarantee and Savings Credit.
- 15 If the financial figures in relation to non-dependant deduction rates are updated, this will ensure the calculation used to assess the eligibility of non-dependant households remains up-to-date. The calculation would continue to make a fair assessment of the income of non-dependants and the cost of council tax. This will ensure the system remains fair and equitable.
- 16 As part of these Regulations, consequential and technical amendments are made that are associated with wider welfare changes made by the UK government. This would ensure CTRS reflects changes made to interrelated social security benefits which often determine entitlement to a reduction. It would also avoid any additional administrative burden for local authorities or advice providers arising from managing different regimes.

Sectors

- 17 Local government and the voluntary sector were consulted during the development of proposals to introduce CTRS in Wales. Draft regulations for 2020-21 have been shared with local authorities.
- 18 This legislation will not affect the business sector.

Duties

- 19 In drafting these Regulations consideration has been given to the duty on Welsh Ministers to promote equality and eliminate discrimination.
- 20 An Equality Impact Assessment was completed for the introduction of the 2013 CTRS Regulations.
- 21 This statutory instrument is provided bilingually. CTRS is implemented and operated by local authorities who are under general duties to comply with Welsh language and sustainable development duties.
- 22 Further consideration has been given as to whether CTRS could be used to improve the opportunities of persons to use the Welsh language treating the Welsh language no less favourably than the English language. As the sole purpose of CTRS is to provide support to low-income households in meeting their council tax liability, it is considered there are no such opportunities.
- 23 Maintaining full entitlements to CTRS will continue to help low-income households in meeting their council tax liability and, as such, will contribute to the Welsh Government's commitment to make council tax fairer.

Competition Assessment

- 24 These Regulations have been scored against the competition filter test which indicated that there will be no detrimental effect on competition.

Consultation

- 25 No consultation has been undertaken in respect of this statutory instrument. The 2013 CTRS Regulations were consulted upon and details are provided in the Regulatory Impact Assessments accompanying those Regulations.

Post implementation review

- 26 Amendments are required on an annual basis to uprate the financial figures used to calculate entitlements to reductions. This provides an opportunity to review the legislation.

Draft Regulations laid before Senedd Cymru under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of Senedd Cymru.

W E L S H S T A T U T O R Y
I N S T R U M E N T S

2021 No. (W.)

COUNCIL TAX, WALES

**The Council Tax Reduction
Schemes (Prescribed Requirements
and Default Scheme) (Wales)
(Amendment) Regulations 2021**

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (“the Prescribed Requirements Regulations”) and the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 (“the Default Scheme Regulations”) made under section 13A(4) and (5) of, and Schedule 1B to, the Local Government Finance Act 1992.

The Prescribed Requirements Regulations require each billing authority in Wales to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of persons, whom the authority considers are in financial need. The Prescribed Requirements Regulations also set out the matters that must be included within such a scheme.

The Default Scheme Regulations set out a scheme that will take effect, in respect of dwellings situated in the area of a billing authority, if the authority fails to make its own scheme.

These Regulations amend both the Prescribed Requirements and the Default Scheme Regulations.

The amendments made to the Prescribed Requirements Regulations by regulations 3, 6, 9 and 10 provide for how payments under “the Windrush Compensation Scheme” are to be taken into account when determining eligibility for a reduction and the amount of a reduction. The same amendments are

made to the Default Scheme Regulations by regulations 12, 15, 18 and 19.

The amendment made to the Prescribed Requirements Regulations by regulation 4(2) provides for how payments of universal credit to claimants who have reached state pension credit qualifying age are to be taken into account when determining eligibility for a reduction and the amount of a reduction. The same amendment is made to the Default Scheme Regulations by regulation 14.

The amendments to the Prescribed Requirements Regulations by regulations 4(1), 5, 7 and 8 increase certain figures that are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The uprated figures relate to non-dependant deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant); and the applicable amount in relation to an application for a reduction (the amount against which an applicant's income is compared in order to determine the amount of reduction to which the applicant is entitled). The same amendments are made to the Default Scheme Regulations by regulations 13, 16 and 17.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Strategic Finance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

Draft Regulations laid before Senedd Cymru under section 13A(8) of the Local Government Finance Act 1992, for approval by resolution of Senedd Cymru.

W E L S H S T A T U T O R Y
I N S T R U M E N T S

2021 No. (W.)

COUNCIL TAX, WALES

**The Council Tax Reduction
Schemes (Prescribed Requirements
and Default Scheme) (Wales)
(Amendment) Regulations 2021**

Made

*Coming into force in accordance with
regulation 1(2)*

The Welsh Ministers make the following Regulations in exercise of the powers conferred upon them by section 13A(4) and (5) of, and paragraphs 2 to 7 of Schedule 1B to, the Local Government Finance Act 1992(1).

In accordance with section 13A(8) of that Act, a draft of this instrument has been laid before and approved by resolution of Senedd Cymru(2).

Title, commencement and interpretation

1.—(1) The title of these Regulations is the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2021.

(2) These Regulations come into force the day after the day on which they are made.

(1) 1992 c. 14. Section 13A was substituted by section 10(1) of the Local Government Finance Act 2012 (c. 17) and Schedule 1B was inserted by section 10(2) of, and Schedule 4 to, that Act.

(2) The reference in section 13(A)(8) to the National Assembly for Wales now has effect as a reference to Senedd Cymru, by virtue of section 150A(2) of the Government of Wales Act 2006 (c. 32), as amended by section 9 of, and Schedule 1 to, the Senedd and Elections (Wales) Act 2020 (anaw 1).

(3) These Regulations apply in relation to a council tax reduction scheme made for a financial year beginning on or after 1 April 2021.

(4) In these Regulations “council tax reduction scheme” (“*cynllun gostyngiadau'r dreth gyngor*”) means a scheme made by a billing authority in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013(1), or the scheme that applies in default by virtue of paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992.

Amendments to the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013

2. The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 are amended in accordance with regulations 3 to 10.

3. In regulation 2(1) (interpretation)—

(a) in the definition of “qualifying person”, after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”;

(b) in the appropriate place insert—

““the Windrush Compensation Scheme” (“*Cynllun Digolledu Windrush*”) means—

(a) the scheme of that name (2) operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and

(b) the policy entitled “Windrush Scheme: Support in urgent and exceptional circumstances”(3) which was operated

(1) S.I. 2013/3029 (W. 301), as amended by S.I. 2014/66 (W. 6), S.I. 2014/825 (W. 83), S.I. 2015/44 (W. 3), S.I. 2015/971, S.I. 2016/50 (W. 21), S.I. 2017/46 (W. 20), S.I. 2018/14 (W. 7), S.I. 2019/11 (W. 5) and S.I. 2020/16 (W. 2).

(2) The Windrush Compensation Scheme Rules are published and can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925385/Windrush_Compensation_Scheme_Full_Rules.pdf. A hard copy may be obtained on request by writing to the Local Taxation Division, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London, SW1P 4DF. Further information about the Windrush Compensation Scheme can be found at <https://www.gov.uk/guidance/windrush-compensation-scheme>.

(3) This policy can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916834/Windrush_Scheme_-_Support_in_Urgent_and_Exceptional_Circumstances.pdf. A hard copy may be obtained on request by writing to the Local Taxation Division, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London, SW1P 4DF.

by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;”.

4. In Schedule 1 (determining eligibility for a reduction: pensioners)—

(1) in paragraph 3 (non-dependant deductions: pensioners)—

- (a) in sub-paragraph (1)(a) for “£14.65” substitute “£15.35”;
- (b) in sub-paragraph (1)(b) for “£4.85” substitute “£5.10”;
- (c) in sub-paragraph (2)(b) for “£9.75” substitute “£10.20”;
- (d) in sub-paragraph (2)(c) for “£12.25” substitute “£12.85”;

(2) in paragraph 10 (meaning of “income”: pensioners) in sub-paragraph 1(j) insert “(xx) universal credit;”.

5. In Schedule 2 (applicable amounts: pensioners)—

(a) in column (2) of the Table in paragraph 1 (personal allowance)—

- (i) in sub-paragraph (1) for “£173.80” and “£187.80” substitute “£177.10” and “£191.15” respectively;
- (ii) in sub-paragraph (2) for “£265.20” and “£280.85” substitute “£270.30” and “£286.05” respectively;
- (iii) in sub-paragraph (3) for “£265.20” and “£91.40” substitute “£270.30” and “£93.20” respectively;
- (iv) in sub-paragraph (4) for “£280.85” and “£93.05” substitute “£286.05” and “£94.90” respectively;

(b) in the Table in Part 4 (amounts of premium specified in Part 3), in the second column—

- (i) in sub-paragraph (1) for “£66.95” in each place where it occurs substitute “£67.30” and for “£133.90” substitute “£134.60”;
- (ii) in sub-paragraph (2) for “£26.60” substitute “£26.67”;
- (iii) in sub-paragraph (3) for “£65.52” substitute “£65.94”;
- (iv) in sub-paragraph (4) for “£37.50” substitute “£37.70”.

6. In Schedule 5 (capital disregards: pensioners), in paragraph 16(1)(a), after “the We Love Manchester

Emergency Fund” insert “, the Windrush Compensation Scheme”.

7. In Schedule 6 (determining eligibility for a reduction under an authority’s scheme, amount of reduction and calculation of income and capital: persons who are not pensioners) in paragraph 5 (non-dependant deductions: persons who are not pensioners)—

- (a) in sub-paragraph (1)(a) for “£14.65” substitute “£15.35”;
- (b) in sub-paragraph (1)(b) for “£4.85” substitute “£5.10”;
- (c) in sub-paragraph (2)(b) for “£9.75” substitute “£10.20”;
- (d) in sub-paragraph (2)(c) for “£12.25” substitute “£12.85”.

8. In Schedule 7 (applicable amounts: persons who are not pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
 - (i) in sub-paragraph (1) for “£79.20” in each place in which it occurs substitute “£79.60” and for “£62.75” substitute “£63.05”;
 - (ii) in sub-paragraph (2) for “£79.20” substitute “£79.60”;
 - (iii) in sub-paragraph (3) for “£124.45” substitute “£125.05”;
- (b) in the Table in Part 4 (amounts of premiums specified in Part 3), in the second column—
 - (i) in sub-paragraph (1) for “£34.95” and “£49.80” substitute “£35.10” and “£50.05” respectively;
 - (ii) in sub-paragraph (2) for “£66.95” in each place in which it occurs substitute “£67.30” and for “£133.90” substitute “£134.60”;
 - (iii) in sub-paragraph (3) for “£65.52” substitute “£65.94”;
 - (iv) in sub-paragraph (4) for “£37.50” substitute “£37.70”;
 - (v) in sub-paragraph (5) for “£26.60”, “£17.10” and “£24.50” substitute “£26.67”, “£17.20” and “£24.60” respectively;
- (c) in Part 6 (amount of components)—
 - (i) in paragraph 23 for “£29.35” substitute “£29.70”;
 - (ii) in paragraph 24 for “£39.20” substitute “£39.40”.

9. In Schedule 10 (capital disregards: persons who are not pensioners)—

- (a) in paragraph 29(1), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”;
- (b) in paragraph 29(7), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”.

10. In Schedule 13 (all applicants: matters that must be included in an authority’s scheme—other matters), in paragraph 5(7)(a)(ii), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”.

Amendments to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013

11. The scheme set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013(1) is amended in accordance with regulations 12 to 19.

12. In paragraph 2(1) (interpretation)—

- (a) in the definition of “qualifying person”, after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”;
- (b) in the appropriate place insert—
 - ““the Windrush Compensation Scheme” (“*Cynllun Digolledu Windrush*”) means—
 - (a) the scheme of that name (2) operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and
 - (b) the policy entitled “Windrush Scheme: Support in urgent and exceptional

(1) S.I. 2013/3035 (W. 303), as amended by S.I. 2014/66(W. 6), S.I. 2014/825 (W. 83), S.I. 2015/44 (W. 3), S.I. 2015/971, S.I. 2016/50 (W. 21), S.I. 2017/46 (W. 20), S.I. 2018/14 (W. 7) S.I. 2019/11 (W. 5) and S.I. 2020/16 (W. 2).

(2) The Windrush Compensation Scheme Rules are published and can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925385/Windrush_Compensation_Scheme_Full_Rules.pdf. A hard copy may be obtained on request by writing to the Local Taxation Division, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London, SW1P 4DF. Further information about the Windrush Compensation Scheme can be found at <https://www.gov.uk/guidance/windrush-compensation-scheme>.

circumstances”(1) which was operated by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;”.

13. In paragraph 28 (non-dependant deductions: pensioners and persons who are not pensioners)—

- (a) in sub-paragraph (1)(a) for “£14.65” substitute “£15.35”;
- (b) in sub-paragraph (1)(b) for “4.85” substitute “£5.10”;
- (c) in sub-paragraph (2)(b) for “£9.75” substitute “£10.20”;
- (d) in sub-paragraph (2)(c) for “£12.25” substitute “£12.85”.

14. In paragraph 36 (meaning of “income”: pensioners) in sub-paragraph (1)(j) insert “(xx) universal credit;”.

15. In paragraph 111(7)(a)(ii), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”.

16. In Schedule 2 (applicable amounts: pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
 - (i) in sub-paragraph (1) for “£173.80” and “£187.80” substitute “£177.10” and “£191.15” respectively;
 - (ii) in sub-paragraph (2) for “£265.20” and “£280.85” substitute “£270.30” and “£286.05” respectively;
 - (iii) in sub-paragraph (3) for “£265.20” and “£91.40” substitute “£270.30” and “£93.20” respectively;
 - (iv) in sub-paragraph (4) for “£280.85” and “£93.05” substitute “£286.05” and “£94.90” respectively;
- (b) in the Table in Part 4 (amounts of premium specified in Part 3), in the second column—
 - (i) in sub-paragraph (1) for “£66.95” in each place in which it occurs substitute

(1) This policy can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916834/Windrush_Scheme_-_Support_in_Urgent_and_Exceptional_Circumstances.pdf. A hard copy may be obtained on request by writing to the Local Taxation Division, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London, SW1P 4DF.

- “£67.30” and for “£133.90” substitute “£134.60”;
- (ii) in sub-paragraph (2) for “£26.60” substitute “£26.67”;
- (iii) in sub-paragraph (3) for “£65.52” substitute “£65.94”;
- (iv) in sub-paragraph (4) for “£37.50” substitute “£37.70”.

17. In Schedule 3 (applicable amounts: persons who are not pensioners)—

- (a) in column (2) of the Table in paragraph 1 (personal allowances)—
 - (i) in sub-paragraph (1) for “£79.20” in each place in which it occurs substitute “£79.60” and for “£62.75” substitute “£63.05”;
 - (ii) in sub-paragraph (2) for “£79.20” substitute “£79.60”;
 - (iii) in sub-paragraph (3) for “£124.45” substitute “£125.05”;
- (b) in the Table in Part 4 (amount of premiums specified in Part 3), in the second column—
 - (i) in sub-paragraph (1) for “£34.95” and “£49.80” substitute “£35.10” and “£50.05” respectively;
 - (ii) in sub-paragraph (2) for “£66.95” in each place in which it occurs substitute “£67.30” and for “£133.90” substitute “£134.60”;
 - (iii) in sub-paragraph (3) for “£65.52” substitute “£65.94”;
 - (iv) in sub-paragraph (4) for “£37.50” substitute “£37.70”;
 - (v) in sub-paragraph (5) for “£26.60”, “£17.10” and “£24.50” substitute “£26.67”, “£17.20” and “£24.60” respectively;
- (c) in Part 6 (amount of components)—
 - (i) in paragraph 23 for “£29.35” substitute “£29.70”;
 - (ii) in paragraph 24 for “£39.20” substitute “£39.40”.

18. In Schedule 8 (capital disregards: pensioners), in paragraph 16(1)(a), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”.

19. In Schedule 9 (capital disregards: persons who are not pensioners)—

- (a) in paragraph 29(1), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”;
- (b) in paragraph 29(8), after “the We Love Manchester Emergency Fund” insert “, the Windrush Compensation Scheme”.

Name

Minister for Finance and Trefnydd, one of the Welsh
Ministers

Date

Report to	County Council
Date of meeting	26th January, 2021
Lead Member / Officer	Cllrs Julian Thompson-Hill
Report author	Sophie Vaughan & Steve Gadd

1. What is the report about?

The purpose of this paper is to provide information and to consider the implications: -

- paying the Real Living Wage (RLW)
- of becoming a Living Wage accredited employer.

2. What is the reason for making this report?

County Council originally considered the implications of paying the Real Living Wage in December, 2018 and then in January 2020 following the national pay negotiations. It was then requested that the Council received a further report in January 2021 to consider the current situation and if there is a differential between the National Pay Award and the Real Living Wage whether or not to pay the Real Living Wage to its staff in the following financial year.

3. What are the Recommendations?

That council note the estimated cost implications of paying the Real Living Wage and becoming a Real Living Wage employer.

4. Report details

Background

There are two types of Living Wage and they are as follows: -

National Living Wage

The National Living Wage (NLW) was introduced in the July 2015 UK budget. The Chancellor announced a compulsory 'National Living Wage' (NLW) of £7.20 to be introduced in April 2016 for those aged over 25. This has since increased annually and all employers are required, by law, to pay the April 2020 rate of £8.72 to employees over the age of 25.

The Government's Low Pay Commission have recommended future rises of National Living Wage, with the Government was aiming for it to reach £9.00 per hour by 2020, but it hasn't reached this amount as yet.

The Real Living Wage

The Real Living Wage is an hourly rate of pay that has been calculated independently by the Living Wage Foundation. It is proposed that this is the minimum wage that a worker, over the age of 18, needs to earn to cover basic living costs. As of the 1st November, 2020 the Living Wage is £9.50 per hour, with a higher rate in London to reflect the higher living costs. The rate is set annually by the Living Wage Foundation and Loughborough University's Centre for Research.

There is no statutory obligation for employers to pay the Real Living Wage but some organisations have voluntarily become accredited Real Living Wage employers.

The Living Wage Foundation states that paying the non-statutory living wage is good for businesses as it improves quality of life for their employees, which has a positive impact on reputation as an employer, absence rates, recruitment and retention rates improving and productivity.

Once an employer voluntarily pays the Real Living Wage they have the option to apply for accreditation from the Living Wage Foundation, which allows them to advertise themselves as a Living Wage Employer and appear on their list of accredited employers, and pledge to increase their hourly rate in line with any increases in the Real Living Wage.

There are currently over 7,111 accredited Living Wage employers, which includes 122 councils in the UK, including town and district councils. Cardiff Council are the only City Council in Wales to be accredited, along with three Town Councils.

Becoming an accredited Living Wage Employer means that the organisation would be duty bound to pay any increase in pay within 6 months of it being set (the following April) regardless of their financial position or means to do so.

Current Position

Whilst Denbighshire's pay structure is unique to the County, we use the nationally set Spinal Column Points (SCP) to set our grades. Currently our minimum pay is £9.25 per hour, which is Grade 1 SCP1 and has been since 1st April 2020, following the National Pay Award. This is 5 pence less than November, 2019 Real Living Wage which was £9.30 per hour. Grade 1 only has one spinal column point, however Grade 2 (SCP 2) is currently £9.43 per hour. So it affects all employees on Grade these 2 Spinal Column Points.

In the Government's November Spending Review 2020 it was announced that as part of the response to the economic impacts of the Covid-19 Pandemic that public sector pay will be "paused" for 2021/22 with an exemption for NHS staff and workers earning below £24,000 who will receive a pay raise of at least £250.

The above policy is not binding on Local Government as their pay is not recommended by the Public Review Bodies who provide information to the Government Ministers. The Local Government Association who represent the employers side in the National Joint Council has said that it is not bound by this pay policy but that pay awards will depend on the funding that local government receives through the financial settlement ([www.https://commonslibrary.parliament.uk/research-briefings/cbp-8037](https://commonslibrary.parliament.uk/research-briefings/cbp-8037))

From 1st April, 2020 the council have been paying 5 pence less than the Real Living Wage to employees on Spinal Column Point (SCP) 1 of £9.25 per hour, and 7 pence less on Grade 2 (SCP) 2 of £9.43 per hour, but as mentioned the Real Living Wage is reviewed in November each year, so we are now paying 25p per hour under the current Real Living Wage of £9.50 per hour.

All employees on SCP 1 of Grade 1 and SCP 2 of Grade 2 are currently paid under £9.50 per hour. There are 725 (657 on SCP 1 and 68 in SCP 2) contracted posts who are currently on these points, in addition we also have 880 relief workers on these points. The option of accreditation as a Real Living Wage employer would also mean that the council would need to ensure that it pays any contractors or providers with the same rate of pay as employees. The cost implication of this element is much more significant than the impact on internal pay costs and would create an additional budget pressure in 2021/22 in excess of £1.1m. There is also a nominal fee to be paid on a sliding scale to the Living Wage Foundation depending on the number of employees in the Council.

5. How does the decision contribute to the Corporate Priorities?

Becoming an accredited employer would potentially contribute to the Corporate Priority of resilient communities by providing better paid employment opportunities. However, the cost implications mean that service cuts would be inevitable which might adversely impact the council's ability to deliver some of its priorities.

6. What will it cost and how will it affect other services?

The estimated cost for contracted employees would be £37,458 (excluding oncosts) for the period November, 2020 – March, 2021 based on an estimated increase in the Living Wage to £9.50 per hour and based on it being implemented immediately (rather than within the six months allowed). There would also be a continuing cost each year thereafter.

The impact on the cost of externally commissioned services is potentially much more significant. Analysis of the toolkit used to inform the fees paid to residential and nursing care providers for older people (which uses the National Living Wage as the benchmark to determine some, but not all, of the hourly rate calculation) estimates that on current levels of provision, the increased cost of benchmarking to the Real Living Wage in 2021/2 would be in excess of £1m and which would rise in each subsequent year.

There would also be an implication on other commissioned contracts, such as domiciliary care and care provided to younger adults.

7. What are the main conclusions of the Well-being Impact Assessment?

This report has been produced in response to a motion to highlight the implications of a policy and is not making a recommendation about policy implementation.

8. What consultations have been carried out with Scrutiny and others?

This report is responding to a motion from the County Council requesting information about the cost implications of a policy and as such has not been consulted upon.

9. Chief Finance Officer Statement

The current national pay negotiations for next year have yet to begin in earnest and it is very difficult to predict the outcome following the Chancellor's announcement on pay restraint. It is hoped that the negotiations can be brought to a conclusion within a reasonable timeframe and the calculations for 2021/22 can be revisited. The current budget proposals provide for an estimated increase of 1.5% for non-teachers and 2% for teachers. From a financial management perspective, it would be beneficial to utilise the 6-month implementation period. Any additional in-year commitment for 2020/21 would increase the current net overspend and would have to be funded from Base Level Reserves

The potential cost of becoming a RLW accredited employer however is much more significant. On the commissioned residential and nursing care sector alone, the immediate additional cost is estimated to be over £1m. As this is not a statutory requirement, the council has not budgeted for this additional cost.

10. What risks are there and is there anything we can do to reduce them?

The report is outlining the potential cost implications of a policy and is not making a recommendation. However, the report does highlight that the potential full cost of the policy would be significant and is not currently built into future budget plans. The key risk would be to progress the policy without it being clear how the cost would be funded.

11. Power to make the decision

Provision of the cost implications reported under Section 151 of the Local Government Act 1972.

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Notice of motion

Notice of motion put forward by councillor Glenn Swingler on behalf of the Plaid Cymru group for consideration by Full Council:

That Denbighshire County Council:

Calls for the decision date on the intended restructuring of the Homelessness Service with the loss of 9 posts to be postponed from February 1st 2021 until the reasoning behind this proposed major internal reorganisation has been examined by a council scrutiny committee.

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COUNCIL FORWARD WORK PROGRAMME

Meeting	Item (Description / Title)		Purpose of Report	Council Decision Required (yes/no)	Lead member and Contact Officer
23 February 2021	1	DCC's Climate and Ecological Change Strategy	To consider the final DCC's Climate and Ecological Change Strategy (2021/22 – 2029/30) and decide on whether to adopt it	Yes	Councillor Brian Jones / Helen Vaughan-Evans
	2	Council Tax 2021/22 and Associated Matters	To consider a report by the Head of Finance (copy attached) to set the levels of Council Tax for 2021/22.	Yes	Councillor Julian Thompson-Hill/ Steve Gadd
	3	Capital Plan 2020/21 – 2023/24 And Recommendations of the Strategic Investment Group	To consider a report by the Head of Finance (copy attached) to provide Members with an updated Capital Plan including an update on major projects and the Corporate Plan.	Yes	Councillor Julian Thompson-Hill / Steve Gadd
	4	Treasury Management Strategy Statement 2021/22 and Prudential Indicators 2020/21 to 2022/23	To consider a report by the Head of Finance (copy attached) to seek the Council's approval of the Treasury Management Strategy Statement 2021/22 and Prudential Indicators 2020/21 – 2022/23	Yes	Councillor Julian Thompson-Hill / Steve Gadd
	5	Avoidance and Reduction of Plastics in Denbighshire County Council	To consider the findings of the Use of Plastics Task and Finish Group and Performance Scrutiny Committee's	Yes	Councillor Arwel Roberts (Chair of Performance Scrutiny Committee) & Councillor Emrys Wynne (Chair of the Task and

COUNCIL FORWARD WORK PROGRAMME

			recommendations in relation to the T&F Group's work		Finish Group) Heidi Barton-Price & Graham Boase
13 April 2021	1	Arrangements for the election of Chair and Vice-Chair	To agree the process and candidates to be formally elected at the Council's Annual meeting in May 2021	No	Councillor Richard Mainon / Gary Williams / Steve Price
18 May 2021 ANNUAL COUNCIL	1	Election of Chair and Vice-Chair of Denbighshire County Council	To elect the Council's Chair and Vice-Chair for the 2021-2022 municipal year	No	Councillor Richard Mainon / Gary Williams / Steve Price
6 July 2021	1	Annual Performance Review		Yes	Alan Smith / Iolo McGregor
7 September 2021					
12 October 2021					
7 December 2021					

COUNCIL FORWARD WORK PROGRAMME

FUTURE ITEMS

Annual Report of the Standards Committee	To consider the Annual Report	Chair of the Standards Committee / Gary Williams	TBC

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Council Briefing Forward Work Programme

Meeting	Item (Description / Title)		Purpose of Report	Lead member and Contact Officer
15 March 2021	1	Armed Forces Covenant Awareness Training		Cllr Richard Mainon / Gary Williams/ Stephen Townley, Armed Forces Liaison Officer
	2	Welsh Index of Multiple Deprivation (WIMD) Results for Denbighshire	To bring to members the WIMD results for Denbighshire	Nicola Kneale
	3	21 st Century Schools Funding Programme	To inform members on the: <ul style="list-style-type: none"> (i) Background to the funding and the prioritisation process followed to determine which schools merited benefiting from investment; (ii) When details of the investment already made in the county's schools and the current position; (iii) A clear outline of future plans, subject to the availability of Welsh Government and Council funding, to make Denbighshire County Council schools fit for the 21st Century 	Cllr Huw Hilditch-Roberts / Geraint Davies / James Curran
7 June 2021				
8 November 2021				

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FUTURE MEETINGS TBC:

CSSR – to discuss the support staff review (Judith Greenhalgh / Alan Smith) – deferred from 9 March 2020 meeting

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